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## TITLE 12--BANKS AND BANKING

### CHAPTER 13--NATIONAL HOUSING

Sec. 1701z-1. Research and demonstrations; authorization of appropriations; continuing availability of funds

The Secretary of Housing and Urban Development is authorized and directed to undertake such programs of research, studies, testing, and demonstration relating to the mission and programs of the Department as he determines to be necessary and appropriate. There is \1\ authorized to be appropriated to carry out this title [12 U.S.C. 1701z-1 et seq.] \$35,000,000 for fiscal year 1993 and \$36,470,000 for fiscal year 1994.

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\1\ So in original. Probably should be ``are''.  
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(Pub. L. 91-609, title V, Sec. 501, Dec. 31, 1970, 84 Stat. 1784; Pub. L. 94-375, Sec. 23(a), Aug. 3, 1976, 90 Stat. 1078; Pub. L. 95-128, title II, Sec. 204, Oct. 12, 1977, 91 Stat. 1129; Pub. L. 95-557, title III, Sec. 305(a), Oct. 31, 1978, 92 Stat. 2097; Pub. L. 96-153, title III, Sec. 304, Dec. 21, 1979, 93 Stat. 1112; Pub. L. 96-399, title III, Sec. 303, Oct. 8, 1980, 94 Stat. 1639; Pub. L. 97-35, title III, Sec. 337, Aug. 13, 1981, 95 Stat. 414; Pub. L. 98-181, title IV, Sec. 466(a), Nov. 30, 1983, 97 Stat. 1236; Pub. L. 100-242, title V, Sec. 564, Feb. 5, 1988, 101 Stat. 1945; Pub. L. 101-625, title IX, Sec. 951(a), Nov. 28, 1990, 104 Stat. 4417; Pub. L. 102-550, title IX, Sec. 901, Oct. 28, 1992, 106 Stat. 3866.)

#### References in Text

This title, referred to in text, is title V of the Housing and Urban Development Act of 1970, Pub. L. 91-609, Dec. 31, 1970, 84 Stat. 1784, as amended, which is classified generally to section 1701z-1 et seq. of this title. For complete classification of this Act to the Code, see Short Title of 1970 Amendments note set out under section 1701 of this title and Tables.

#### Codification

Section was enacted as part of the Housing and Urban Development Act of 1970, and not as part of the National Housing Act which comprises this chapter.

#### Amendments

1992--Pub. L. 102-550 substituted ``There is authorized to be appropriated to carry out this title \$35,000,000 for fiscal year 1993 and \$36,470,000 for fiscal year 1994.'' for ``There are authorized to be appropriated to carry out this title \$21,200,000 for fiscal year 1991 and \$22,100,000 for fiscal year 1992. From any amounts appropriated under this section for fiscal year 1991, the Secretary shall use not more than \$500,000 to carry out a demonstration project to test affordable housing technologies, and shall include in the annual report under section 3536 of title 42 (for the appropriate year) a statement of

the activities under the demonstration program and findings resulting from the program. The statement shall set forth the amount and use of funds expended by the Secretary under the program for the year relating to the report and the Secretary shall include such a statement in each such annual report for each year that amounts appropriated under this section are used under the demonstration. All funds so appropriated shall remain available until expended unless specifically limited.'

1990--Pub. L. 101-625 substituted provisions authorizing appropriations of \$21,200,000 for 1991 and \$22,100,000 for 1992, for provisions authorizing \$17,000,000 for 1988 and \$18,000,000 for 1989, and added provisions limiting amount to be used for demonstration project in 1991 and requiring that annual report include statement relating to such project.

1988--Pub. L. 100-242 substituted ``There are authorized to be appropriated to carry out this title \$17,000,000 for fiscal year 1988, and \$18,000,000 for fiscal year 1989.' for ``There are authorized to be appropriated for activities under this title not to exceed \$19,000,000 for fiscal year 1984, and such sums as may be necessary for fiscal year 1985. Of the amount appropriated under the preceding sentence for fiscal year 1984, not less than \$2,000,000 shall be provided for implementation of a research program to be developed in consultation with public housing agencies, which program shall identify current problems of public housing management, specific solutions to such problems, and incentives to encourage implementation of such solutions.'

1983--Pub. L. 98-181 substituted provisions relating to appropriations for fiscal years 1984 and 1985 and the expenditure of not less than \$2,000,000 for a public housing management research program for provisions authorizing appropriations of \$65,000,000 for fiscal 1977, \$60,000,000 for fiscal 1978, \$62,000,000 for fiscal 1979, \$50,300,000 for fiscal 1980, \$51,000,000 for fiscal 1981 and \$35,000,000 for fiscal 1982.

1981--Pub. L. 97-35 inserted provisions authorizing appropriations for fiscal year 1982.

1980--Pub. L. 96-399 authorized appropriation of \$51,000,000 for fiscal year 1981.

1979--Pub. L. 96-153 authorized appropriation of \$50,300,000 for fiscal year 1980.

1978--Pub. L. 95-557 substituted ``not to exceed \$60,000,000 for the fiscal year 1978, and not to exceed \$62,000,000 for the fiscal year 1979' for ``and not to exceed \$60,000,000 for the fiscal year 1978'.

1977--Pub. L. 95-128 authorized appropriation of \$60,000,000 for fiscal year 1978.

1976--Pub. L. 94-375 substituted provision authorizing appropriations for fiscal year 1977 in an amount not exceeding \$65,000,000 for provision which authorized sums to be appropriated as may have been necessary.

#### Effective Date of 1981 Amendment

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 371 of Pub. L. 97-35, set out as an Effective Date note under section 3701 of this title.

#### Rehabilitation Demonstration Grant Program

Pub. L. 105-276, title V, Sec. 599G, Oct. 21, 1998, 112 Stat. 2666, provided that:

``(a) In General.--The Secretary of Housing and Urban Development shall, to the extent amounts are provided in appropriation Acts to carry out this section, carry out a program to demonstrate the effectiveness of making grants for rehabilitation of single family housing located within 10 demonstration areas designated by the Secretary. Of the areas

designated by the Secretary under this section--

``(1) 6 shall be areas that have primarily urban characteristics;

``(2) 3 shall be areas that are outside of a metropolitan statistical area; and

``(3) 1 shall be an area that has primarily rural characteristics.

In selecting areas, the Secretary shall provide for national geographic and demographic diversity.

``(b) Grantees.--Grants under the program under this section may be made only to agencies of State and local governments and non-profit organizations operating within the demonstration areas.

``(c) Selection Criteria.--In selecting among applications for designation of demonstration areas and grants under this section, the Secretary shall consider--

``(1) the extent of single family residences located in the proposed area that have rehabilitation needs;

``(2) the ability and expertise of the applicant in carrying out the purposes of the demonstration program, including the availability of qualified housing counselors and contractors in the proposed area willing and able to participate in rehabilitation activities funded with grant amounts;

``(3) the extent to which the designation of such area and the grant award would promote affordable housing opportunities;

``(4) the extent to which selection of the proposed area would have a beneficial effect on the neighborhood or community in the area and on surrounding areas;

``(5) the extent to which the applicant has demonstrated that grant amounts will be used to leverage additional public or private funds to carry out the purposes of the demonstration program;

``(6) the extent to which lenders (including local lenders and lenders outside the proposed area) are willing and able to make loans for rehabilitation activities assisted with grant funds; and

``(7) the extent to which the application provides for the involvement of local residents in the planning of rehabilitation activities in the demonstration area.

``(d) Use of Grant Funds.--Funds from grants made under this section may be used by grantees--

``(1) to subsidize interest on loans, over a period of not more than 5 years from the origination date of the loan, made after the date of the enactment of this Act [Oct. 21, 1998] for rehabilitation of any owner-occupied 1- to 4-family residence, including the payment of interest during any period in which a residence is uninhabitable because of rehabilitation activities;

``(2) to facilitate loans for rehabilitation of 1- to 4-family properties previously subject to a mortgage insured under the National Housing Act [12 U.S.C. 1701 et seq.] that has been foreclosed or for which insurance benefits have been paid, including to establish revolving loan funds, loan loss reserves, and other financial structures; and

``(3) to provide technical assistance in conjunction with the rehabilitation of owner-occupied 1- to 4-family residences, including counseling, selection contractors, monitoring of work, approval of contractor payments, and final inspection of work.

``(e) Definition of Rehabilitation.--For purposes of this section, the term 'rehabilitation' has the meaning given such term in section 203(k)(2)(B) of the National Housing Act (12 U.S.C. 1709(k)(2)(B)).

``(f) Authorization of Appropriations.--There is authorized to be appropriated to the Secretary to carry out this section such sums as may be necessary for each of fiscal years 1999 through 2003.

``(g) Effective Date.--This section shall take effect on the date of the enactment of this Act [Oct. 21, 1998].''

## Report Regarding Research Activities

Section 951(b) of Pub. L. 101-625 directed Secretary of Housing and Urban Development, not later than the expiration of the 1-year period beginning on Nov. 28, 1990, to submit to Congress a report listing and describing various research activities, studies, testing, and demonstration programs relating to mission and programs of Department of Housing and Urban Development that are being conducted, have concluded, or will conclude during such period, pursuant to section 501 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1), title V of such Act (12 U.S.C. 1701z-1 et seq.), or any other authority, such report to include a statement identifying the individual or entity that is conducting each such activity, study, test, and demonstration program.

## Section Referred to in Other Sections

This section is referred to in sections 1701z-2, 1701z-4 to 1701z-7, 1701z-9 of this title.